IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 27 of 1988

For Approval and Signature:

Hon'ble MR.JUSTICE J.M.PANCHAL
and
Hon'ble MR.JUSTICE M.S.SHAH

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME TAX

Versus

CIBUTUL LIMITED

Appearance:

MR BB NAIK instructed by MR MANISH R BHATT
for Petitioner
MR JP SHAH for MR MANISH J SHAH for Respondent No. 1

CORAM : MR.JUSTICE J.M.PANCHAL
and
MR.JUSTICE M.S.SHAH

Date of decision: 27/02/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE M.S.SHAH)

In this Reference, at the instance of the Revenue, three questions have been referred to us for our opinion in respect of A.Y. 1984-85.

2. We have heard Mr. B.B.Naik, learned counsel for the Revenue and Mr. J.P.Shah, learned counsel for the respondent-assessee.

3. Question no.1

"Whether, on the facts and in the circumstances of the case, the Appellate Tribunal is right in holding that while considering the disallowance u/s. 40(c), the medical benefits paid to the Managing Directors is not to be considered ?"

Since the amount involved is only Rs. 1540/-, we decline to answer the question in view of the smallness of the amount involved.

4. Question no.2

"Whether, on the facts and in the circumstances of the case, the Appellate Tribunal is right in law in holding that while disallowing travelling expenses under Rule 6D of the I.T.Rules, all the tours undertaken by a person during the year should first be grouped and then limits laid down in Rule 6D should be applied ?"

In our decision in Income Tax Reference No. 44/88, we have held that while applying Rule 6D of the Income-tax Rules, each individual trip of an employee is required to be considered. Hence, we answer the question in the negative i.e. in favour of the Revenue and against the assessee.

5. Question no.3

"Whether, in law and on facts, the personal accident insurance premium is not required to be considered while making disallowance u/s. 40(c) of the I.T.Act, 1961 ?"

Since the amount involved is only Rs. 684/-, we decline to answer the question in view of smallness of the amount involved.

8. The Reference stands disposed of accordingly,

with no order as to costs.

(J.M.Panchal,J.)

(M.S.Shah, J.)

(patel)